

ABSTRACT OF THE DISCLOSURE

A futures contract in accordance with the principles of the present invention is a cash-settled correspondent to a physical delivery commodity futures contract that mirrors a physical delivery mechanism utilized to settle the corresponding physical-delivery commodity futures contract. A futures contract of the present invention references a basket of deliverable-grade commodities corresponding to a deliverable basket for a corresponding physical-delivery commodity futures contract. A futures contract of the present invention obeys the same schedule for last trading day and expiration as a corresponding physical delivery commodity futures contract. A futures contract of the present invention has tick sizes that may or may not differ from a corresponding physical delivery commodity futures contract. A futures contract of the present invention converges to a final settlement value equal to a conversion-factor-weighted price of whichever member of the deliverable basket is cheapest to deliver into the corresponding physical delivery commodity futures contract.